

514. Although the issue of what rate WorldCom should pay Verizon when it accesses Verizon's LIDB (*e.g.*, UNE rates or pursuant to a tariff) was discussed at the hearing and in the parties' briefs, Verizon's current contract proposal, which reflects its agreement in principle with WorldCom, is silent on this matter. Because Verizon has not presented us with any proposed contractual fix to address its complaint that WorldCom's long distance affiliate improperly gains access to the LIDB at UNE rates, we decline to rule on this dispute.¹⁷⁰⁶

15. Issue IV-24 (Directory Assistance Database)

a. Introduction

515. WorldCom receives access to Verizon's directory assistance database pursuant to a directory assistance licensing (DAL) agreement that Bell Atlantic and WorldCom executed during November 1998.¹⁷⁰⁷ WorldCom requests that the interconnection agreement incorporate this licensing agreement by reference.¹⁷⁰⁸ Verizon opposes this request, contending that a settlement agreement that the parties executed contemporaneously with their DAL agreement precludes WorldCom from making the terms and conditions of access to Verizon's directory assistance database the subject of this arbitration.¹⁷⁰⁹ As explained below, we adopt WorldCom's proposal.

b. Positions of the Parties

516. WorldCom states that it must continue to receive access to Verizon's directory assistance database in order to continue providing directory assistance to its customers and that the interconnection agreement therefore should incorporate by reference the parties' existing DAL agreement.¹⁷¹⁰ WorldCom argues that incorporation by reference would not change the terms under which Verizon provides directory assistance or require arbitration of those terms.¹⁷¹¹ WorldCom states, however, that the DAL agreement may expire several months prior to the expiration of its interconnection agreement with Verizon. In WorldCom's view, incorporation

¹⁷⁰⁶ To the extent that Verizon alleges that WorldCom's access to the LIDB violates either the parties' agreed language, their current interconnection agreement, or a rule or order of the Commission, it may raise that issue in the appropriate forum.

¹⁷⁰⁷ *E.g.*, Verizon Ex. 8 (Direct Testimony M. Detch *et al.*), at 11; WorldCom Ex. 10 (Direct Testimony of E. Caputo), at 4.

¹⁷⁰⁸ See WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 6.1.7.1.

¹⁷⁰⁹ Verizon UNE Brief at 89; Verizon UNE Reply at 49. We note that Bell Atlantic Corporation (Bell Atlantic) and WorldCom signed this settlement agreement. On June 30, 2000, Bell Atlantic and GTE Corporation merged into one company, Verizon.

¹⁷¹⁰ WorldCom Brief at 144.

¹⁷¹¹ WorldCom Reply at 120-21.

by reference would merely ensure that WorldCom will continue to receive access to Verizon's directory assistance database after the licensing agreement expires.¹⁷¹²

517. Verizon maintains that WorldCom is contractually prohibited from making access to Verizon's directory assistance database an issue in this arbitration.¹⁷¹³ Verizon asserts that WorldCom is attempting to use this arbitration to extend the term of the licensing agreement, which otherwise could expire as soon as November 30, 2004, beyond the time to which the parties previously agreed.¹⁷¹⁴ Verizon contends that such an extension would effectively override provisions of the licensing agreement, that WorldCom is acting in bad faith in seeking arbitration of this issue, and that the Commission should respond by rejecting WorldCom's position.¹⁷¹⁵

c. Discussion

518. We hold that the interconnection agreement should incorporate by reference the licensing agreement under which WorldCom receives access to Verizon's directory assistance database. We therefore accept WorldCom's proposed contract language on this issue.¹⁷¹⁶ As an initial matter, we conclude that a LEC's request for nondiscriminatory access to another LEC's directory assistance database is an appropriate subject matter for an interconnection agreement pursuant to sections 251 and 252. Specifically, section 251(c)(1) imposes upon Verizon "[t]he duty to negotiate in good faith in accordance with section 252 the particular terms and conditions of agreements to fulfill," among other statutory duties, Verizon's duties under section 251(b)(3).¹⁷¹⁷ Because Verizon's duties under section 251(b)(3) include the duty to provide requesting carriers, such as WorldCom, with nondiscriminatory access to Verizon's directory assistance database,¹⁷¹⁸ the statute contemplates that WorldCom can request arbitration on this issue.

¹⁷¹² *Id.* at 121.

¹⁷¹³ Verizon UNE Brief at 89-90. According to Verizon, the settlement agreement states that "[a]s long as Bell Atlantic complies with the obligations set forth in this Agreement and the License Agreement," WorldCom agrees "not to file any . . . arbitrations . . . against Bell Atlantic . . . arising under the Telecommunications Act of 1996 . . . or orders of any regulatory commission regarding Bell Atlantic's provision of directory assistance data to [WorldCom]." *Id.* at 90, citing Verizon Ex. 8, at 12.

¹⁷¹⁴ Verizon UNE Brief at 90-91; *see* Tr. at 630-34 (testimony of WorldCom witness Caputo).

¹⁷¹⁵ Verizon UNE Brief at 90-91; Verizon UNE Reply at 49-50; Verizon Ex. 8, at 13.

¹⁷¹⁶ *See* WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, § 6.1.7.1.

¹⁷¹⁷ 47 U.S.C. § 251(c)(1). We note that section 251(c)(1) also provides that the "requesting carrier has the duty to negotiate in good faith the terms and conditions of such agreements." *Id.*

¹⁷¹⁸ *See* 47 U.S.C. § 251(b)(3); *UNE Remand Order*, 15 FCC Rcd at 3899-90, para. 457, *remanded sub nom. United States Telecom Ass'n v. FCC*, 290 F.3d 415 (D.C. Cir. 2002).

519. We find WorldCom's language incorporating by reference the DAL agreement into the interconnection agreement consistent with section 251 and the Commission's rules.¹⁷¹⁹ We note that Verizon does not challenge on substantive grounds the terms and conditions of the agreement that WorldCom seeks to incorporate by reference. Instead, Verizon proposes that the interconnection agreement state only that if either party requests access to the other party's directory assistance database, the parties shall enter into a mutually acceptable agreement for such access.¹⁷²⁰ Because this proposal is no more than a promise to negotiate, it does not meet Verizon's obligation to negotiate the actual terms and conditions under which WorldCom will obtain access to Verizon's directory assistance database.¹⁷²¹ We find particularly unpersuasive Verizon's argument that the November 1998 settlement agreement precludes our consideration of this issue. We simply are not going to decline to consider an issue properly before us because of an alleged side agreement.¹⁷²² We leave it to a court of competent jurisdiction to determine whether incorporating by reference the parties' DAL licensing agreement violates the parties' November 1998 settlement agreement.¹⁷²³

16. Issue IV-25 (Calling Name Database)

a. Introduction

520. Verizon and WorldCom have agreed on language requiring that Verizon provide WorldCom with all subscriber records that Verizon uses to create and maintain its Calling Name (CNAM) database.¹⁷²⁴ These parties also have agreed on language requiring that Verizon provide WorldCom with access to the "subscriber records used by Verizon within its CNAM database in a nondiscriminatory manner."¹⁷²⁵ WorldCom requests additional language that would allow it to obtain "batch" access to Verizon's CNAM database in a bulk, downloadable format. WorldCom

¹⁷¹⁹ See 47 U.S.C. § 252(c)(1).

¹⁷²⁰ See Verizon's November Proposed Agreement to WorldCom, Part C, Additional Services Attach., § 3.1.

¹⁷²¹ See 47 U.S.C. §§ 251(b)(3), 251(c)(1).

¹⁷²² We note that Verizon did not submit November 1998 settlement agreement for the record in this proceeding. Nor does Verizon claim that it filed that agreement with the Virginia Commission.

¹⁷²³ We note that WorldCom has moved to strike Verizon's most recent contractual proposal regarding this issue based on asserted differences between that proposal and Verizon's prior proposal. WorldCom Motion to Strike, Ex. A at 33. Verizon, however, has not modified its proposal on this issue. Compare Verizon's November Proposed Agreement to WorldCom, Part C, Additional Services Attach., § 3.1, with Verizon's Answer to WorldCom's Request for Arbitration, Ex. C-1, Additional Services Attach., § 3.1. We therefore deny the portion of WorldCom's motion relating to this issue.

¹⁷²⁴ Verizon's November Proposed Agreement to WorldCom, Part C, Network Elements Attach., § 11.8.1; WorldCom's November Proposed Agreement to Verizon, Part C, Attach. III, § 13.6.1.

¹⁷²⁵ Verizon's November Proposed Agreement to WorldCom, Part C, Network Elements Attach., § 11.8.2; WorldCom's November Proposed Agreement to Verizon, Part C, Attach. III, § 13.6.2.

states that “batch” access would enable it to create its own CNAM database and use it to support innovative services for end users. Verizon opposes this request, contending that “per query” access is sufficient to meet its obligations under the Act and the Commission’s rules. We rule for Verizon on this issue.

521. Verizon’s CNAM database contains the names and telephone numbers of its own and its competitors’ telephone exchange service subscribers, among other information.¹⁷²⁶ “Batch” access allows a carrier to download a copy of this entire database, or updates to it occurring during a specific period. “Per query” access requires a carrier to dip into the database each time it seeks information and allows a carrier to provide a caller ID subscriber with the name associated with the telephone number from which the subscriber receives a call, usually shortly after the first ring.¹⁷²⁷ Verizon provides “per query” access to its CNAM database through its signaling system 7 (SS7) network. This network uses signaling links to transmit routing messages between switches, and between switches and call-related databases, such as Verizon’s CNAM database. These links enable Verizon’s and WorldCom’s switches to send queries to Verizon’s CNAM database and receive responses from that database. SS7 networks are accessed at high-capacity packet switches that are referred to as signaling transfer points.¹⁷²⁸ The Commission’s rules classify CNAM as a UNE.¹⁷²⁹

b. Positions of the Parties

522. WorldCom proposes language that would allow it to obtain, via electronic data transfer, the subscriber records contained in Verizon’s CNAM database as well as daily updates to that information.¹⁷³⁰ WorldCom contends that the Act and Commission rule 51.319(e) entitle WorldCom to the same access to this database as Verizon enjoys.¹⁷³¹ WorldCom states that Verizon has “batch” access to the database because it resides in Verizon’s facilities.¹⁷³² According to WorldCom, even if Verizon currently accesses its CNAM database on a “per

¹⁷²⁶ See, e.g., *UNE Remand Order*, 88 FCC Rcd at 3876, para. 406; Verizon’s November Proposed Agreement to WorldCom, Part C, Network Elements Attach., § 11.8 (defining CNAM database).

¹⁷²⁷ See *Implementation of the Telecommunications Act of 1996: Carriers’ Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket No. 96-115, Third Report and Order; *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, Second Order on Reconsideration; *Provision of Directory Listing Information under the Telecommunications Act of 1934, As Amended*, CC Docket No. 99-273, Notice of Proposed Rulemaking, FCC 99-227, n.369 (1999) (subsequent history omitted) (*1999 Directory Assistance Order*); *UNE Remand Order*, 88 FCC Rcd at 3876, para. 406.

¹⁷²⁸ *UNE Remand Order*, 88 FCC Rcd at 3866 n.746.

¹⁷²⁹ 47 C.F.R. § 51.319(e)

¹⁷³⁰ WorldCom’s November Proposed Agreement to Verizon, Part C, Attach. III, §§ 13.6.3-13.6.4, 13.6.6-13.6.7.5.

¹⁷³¹ WorldCom Brief at 146.

¹⁷³² WorldCom Reply at 125, citing WorldCom Ex. 17 (Direct Testimony of M. Lemkuhl), at 4.

query” basis through its SS7 network, Verizon nonetheless may choose to use the database in any manner it desires.¹⁷³³ WorldCom argues that limiting it to “per query” access through Verizon’s SS7 network therefore would give WorldCom considerably less access and control of the database than Verizon enjoys, and therefore would be discriminatory.¹⁷³⁴ Finally, WorldCom argues that the Act’s nondiscrimination provisions entitle it to obtain “batch” access to Verizon’s CNAM database. While WorldCom does not fully articulate this argument or even cite any specific statutory provision in support, this argument appears to be based on the Commission’s determination in the *Directory Assistance Order* that, under the nondiscrimination requirement in section 251(b)(3) of the Act, LECs must provide other LECs with electronic copies of their directory assistance databases upon request.¹⁷³⁵

523. Verizon proposes language that would let WorldCom “transmit a query to Verizon’s CNAM database for the purpose of obtaining the name associated with a line number for delivery to [WorldCom’s] local exchange customers.”¹⁷³⁶ Verizon contends that the Commission’s rules do not entitle WorldCom to download a copy of Verizon’s CNAM database.¹⁷³⁷ Verizon argues that Commission rule 51.319(e)(2)(i) makes clear that it is legally obligated only to provide WorldCom with “per query” access to that database.¹⁷³⁸ Verizon maintains that WorldCom obtains this access through Verizon’s SS7 network in the same manner as Verizon itself obtains access.¹⁷³⁹ Verizon asserts that “per query” access works well and WorldCom has not claimed that this arrangement has harmed WorldCom or its customers.¹⁷⁴⁰

c. Discussion

524. We agree with Verizon that the Act and the Commission’s rules do not entitle WorldCom to download a copy of Verizon’s CNAM database or otherwise obtain a copy of that database from Verizon. We therefore reject WorldCom’s language that would create such an

¹⁷³³ WorldCom Reply at 125.

¹⁷³⁴ WorldCom Brief at 146-48, citing *1999 Directory Assistance Order*, at para. 152; WorldCom Reply at 124-25, 127.

¹⁷³⁵ See WorldCom Brief at 146, citing *1999 Directory Assistance Order*, at para. 152; WorldCom Reply at 127, citing *1999 Directory Assistance Order*, at para. 152. Section 251(b)(3) requires, among other matters, that a LEC permit competing providers of telephone exchange and telephone toll service “to have nondiscriminatory access to... directory assistance.” 47 U.S.C. § 251(b)(3).

¹⁷³⁶ Verizon UNE Brief at 107.

¹⁷³⁷ Verizon UNE Brief at 98; Verizon UNE Reply at 51.

¹⁷³⁸ Verizon UNE Brief at 98-100, citing *UNE Remand Order*, 88 FCC Rcd at 3874, para. 400, & *Local Competition First Report and Order*, 11 FCC Rcd at 15741-42, paras. 484-85.

¹⁷³⁹ Verizon UNE Brief at 103.

¹⁷⁴⁰ *Id.* at 99.

entitlement.¹⁷⁴¹ We conclude that the language of Commission rule 51.319(e)(2)(i) and the underlying Commission precedent mandate this result. Rule 51.319(e)(2)(i) provides, in pertinent part, that “[f]or purposes of switch query and database response through a signaling network, an incumbent LEC shall provide access to its call-related databases, including . . . the Calling Name Database . . . by means of physical access at the signaling transfer point linked to the unbundled database[.]”.¹⁷⁴² We find Verizon’s proposal to be consistent with rule 51.319(e)(2)(i), and note that WorldCom makes no claim that Verizon’s proposal fails to comply with this rule.

525. We also reject WorldCom’s argument that Commission rule 51.319(e) requires that Verizon provide access to its CNAM database beyond that provided for in rule 51.319(e)(2)(i). Rule 51.319(e) provides, in pertinent part, that “[a]n incumbent LEC shall provide nondiscriminatory access . . . to . . . call-related databases.”¹⁷⁴³ Rules 51.319(e) and 51.319(e)(2)(i) are based on rules adopted in the *Local Competition First Report and Order*: both sets of rules require that an incumbent provide nondiscriminatory access to call-related databases and contain the language quoted above from rule 51.319(e)(2)(i).¹⁷⁴⁴ In adopting the original rules, the Commission stated that “[q]uery and response access to a call-related database,” as provided for in rule 51.319(e)(2)(i), was “intended to require the incumbent LEC only to provide access to its call-related databases as is necessary to permit a competing provider’s switch (including the use of unbundled switching) to access the call-related database functions supported by that database.”¹⁷⁴⁵ This administrative history makes clear that the Commission did not intend, in the *Local Competition First Report and Order*, to enable competitive LECs to download or otherwise copy an incumbent’s CNAM database.

526. Subsequently, in the *UNE Remand Order*, the Commission readopted rules 51.319 and 51.319(e)(2)(i), with an amendment to make clear that CNAM databases should be classified as call-related databases for purposes of these rules.¹⁷⁴⁶ In readopting these rules, the Commission did not suggest in any way that it was requiring that competitive LECs be allowed to download or otherwise copy an incumbent’s CNAM database.¹⁷⁴⁷ We therefore find that rule 51.319(e)(2)(i) defines the terms of the nondiscriminatory access that competitive LECs are entitled to under rule 51.319(e). Since WorldCom is seeking access to Verizon’s CNAM

¹⁷⁴¹ WorldCom’s November Proposed Agreement to Verizon, Attach. III, §§ 13.6.3-13.6.4, 13.6.6-13.6.7.5.

¹⁷⁴² 47 C.F.R. § 51.319(e)(2)(i).

¹⁷⁴³ 47 C.F.R. § 51.319(e).

¹⁷⁴⁴ Compare *Local Competition First Report and Order*, 11 FCC Rcd at 16209-12, with 47 C.F.R. §§ 51.319(e), 51.319(e)(2)(i).

¹⁷⁴⁵ *Local Competition First Report and Order*, 11 FCC Rcd at 15741 n.1127.

¹⁷⁴⁶ *UNE Remand Order*, 88 FCC Rcd at 3947-48.

¹⁷⁴⁷ See *id.*, 88 FCC Rcd at 3974-82, paras. 400-20.

database beyond that provided for in rule 51.319(e)(2)(i), we find its argument inconsistent with the Commission's rules.

527. We reject, in addition, WorldCom's argument that the Act entitles it to receive "bulk" access to Verizon's CNAM database.¹⁷⁴⁸ The Commission classified CNAM databases as a network element pursuant to its authority under section 251(c)(3) of the Act. That provision does not mandate that an incumbent provide copies of its CNAM database to requesting carriers. Nor has the Commission required such action.¹⁷⁴⁹ We therefore conclude that neither the Act nor the Commission's rules supports WorldCom's request for "batch" access to Verizon's CNAM database.

17. Issue IV-28 (Collocation of Advanced Services Equipment)

a. Introduction

528. WorldCom and Verizon disagree about whether to include language in the agreement that summarizes certain findings from the Commission's *Collocation Remand Order*¹⁷⁵⁰ or, instead, whether language requiring Verizon to comply with "applicable law" is sufficient. Among other things, the *Collocation Remand Order* requires Verizon to permit competitors to collocate equipment if the primary purpose and function of that equipment, as the requesting carrier seeks to deploy it, is to provide the requesting carrier with "equal in quality" interconnection or "nondiscriminatory access" to one or more UNEs.¹⁷⁵¹ The Commission expressly declined to establish a "safe harbor" list of equipment that would be deemed necessary for interconnection or access to UNEs.¹⁷⁵² We adopt Verizon's proposal and reject WorldCom's language.

¹⁷⁴⁸ Although WorldCom cites no specific statutory provision in support of this argument, we assume WorldCom is relying on section 251(c)(3) of the Act, which requires that Verizon provide "nondiscriminatory access" to UNEs. 47 U.S.C. § 251(c)(3).

¹⁷⁴⁹ Contrary to WorldCom's argument (*see* WorldCom Brief at 146; WorldCom Reply at 127), the 1999 *Directory Assistance Order* does not entitle it to receive "bulk" access to Verizon's CNAM database. *See* 1999 *Directory Assistance Order*, at paras. 152-53 (requiring, pursuant to section 251(b)(3), that LECs must provide other LECs with electronic copies of their directory assistance databases upon request). That order does not address whether an incumbent must allow competitive LECs to access their CNAM databases.

¹⁷⁵⁰ *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Fourth Report and Order 16 FCC Rcd 15435 (2001) (*Collocation Remand Order*), *aff'd sub nom. Verizon Telephone Cos. v. FCC*, D. C. Circuit Nos. 01-1371 *et al.* (June 18, 2002) (*Verizon*).

¹⁷⁵¹ *Collocation Remand Order*, 16 FCC Rcd at 15454, para. 36.

¹⁷⁵² *Id.*, 16 FCC Rcd at 15459-60, para. 44 (stating that it had been asked to include on such a list optical terminating equipment, fiber distribution frames, ATM multiplexers, concentration devices, DSLAMs, microwave transmission facilities, splitters, and equipment to light dark fiber).

b. Positions of the Parties

529. WorldCom argues that it is entitled to include specific language articulating Verizon's legal obligations in the interconnection agreement, including a provision requiring that Verizon permit the collocation of DSLAMs and splitters, rather than Verizon's statement that it will "meet the requirements of Applicable Law."¹⁷⁵³ According to WorldCom, the parties agree that the governing collocation requirements are those in the *Collocation Remand Order*. Moreover, WorldCom notes that Verizon does not dispute that WorldCom's proposal fairly characterizes this order and Verizon's legal obligations under it, including the particular language concerning the collocation of DSLAMs and splitters.¹⁷⁵⁴ WorldCom suggests that, since Verizon formally appealed the *Collocation Remand Order*, it has no intention of honoring the order until it has exhausted its opportunities for judicial review.¹⁷⁵⁵ WorldCom contends, however, that absent a stay or reversal, Verizon is bound to obey the order and Verizon can therefore have no legitimate objection to a contract that clearly specifies the "applicable law" for the parties' collocation arrangements.¹⁷⁵⁶ Finally, WorldCom argues that Verizon's refusal to reduce to writing the fact that currently "applicable law" is the *Collocation Remand Order* confirms the need for specific, as opposed to general, contract language.¹⁷⁵⁷

530. Verizon states that while the parties have not agreed on specific contract language, they have agreed in principle that Verizon will permit collocation of advanced services equipment to the extent required by applicable law.¹⁷⁵⁸ Verizon argues that: its proposal provides for the collocation of advanced services equipment to the extent that such equipment satisfies the Commission's criteria established in its *Collocation Remand Order*; it amended its collocation tariffs last year to comply with the new rules; and no further contract language is required.¹⁷⁵⁹ Verizon also argues that since the Virginia Commission has a proceeding underway to address collocation issues, we should defer any collocation-related issue in this arbitration to that

¹⁷⁵³ WorldCom Brief at 159, citing Verizon's November Proposed Agreement to WorldCom, Part C, Collocation Attach. § 1.

¹⁷⁵⁴ WorldCom Brief at 159. According to WorldCom, Verizon initially accepted WorldCom's language in its rebuttal testimony but that it withdrew and substituted corrected testimony opposing WorldCom's proposal. *Id.* at 159-60.

¹⁷⁵⁵ WorldCom Brief at 160. WorldCom also asserts that Verizon has no intention of being bound by whatever "change of law" provisions the contract specifies "as they would apply to any changes the Court could conceivably require to the [*Collocation Remand Order*]." *Id.*

¹⁷⁵⁶ WorldCom Brief at 160.

¹⁷⁵⁷ WorldCom Reply at 142.

¹⁷⁵⁸ Verizon Advanced Services Brief at 32. Verizon argues that contrary to WorldCom's assertions, Verizon never agreed to WorldCom's proposal and that its originally filed rebuttal testimony contained an error, which Verizon later corrected. Verizon Advanced Services Reply at 7 n.8.

¹⁷⁵⁹ Verizon Advanced Services Brief at 32.

proceeding.¹⁷⁶⁰ Verizon disagrees with WorldCom's assertion that "lawlessness" will prevail if the we do not select WorldCom's language, because Verizon's proposal contractually binds it to provide collocation consistent with applicable law and this would include the *Collocation Remand Order* (unless and until those rules are stayed, overturned, or otherwise modified).¹⁷⁶¹ Finally, Verizon argues that its proposal will permit the contract to incorporate any change in applicable law in the event the Commission's collocation rules are modified without resorting to a drawn-out contract amendment process.¹⁷⁶²

c. Discussion

531. We reject WorldCom's proposal and direct the parties to include Verizon's proposed Collocation Attachment, section 1.¹⁷⁶³ We will not create a "safe harbor" list of equipment that Verizon is required to permit WorldCom to collocate.¹⁷⁶⁴ The Commission declined to establish such a list and, as we have stated earlier, we will not go beyond Commission precedent in resolving the parties' disputes.¹⁷⁶⁵ Moreover, we note that there is no disagreement between the parties about what is the applicable law or how it applies to the specific equipment WorldCom seeks to collocate. Also, we find that Verizon's proposal contractually binds it to comply with "applicable law." Unless and until the incumbents' obligations pursuant to the *Collocation Remand Order* are modified by the Commission or a court decision,¹⁷⁶⁶ Verizon is required to comply with those rules as they are the "applicable law" on the subject of collocation of advanced services equipment. WorldCom can avail itself of the agreement's dispute resolution process if it believes that Verizon is not adhering to those rules.

¹⁷⁶⁰ Verizon Advanced Services Reply at 6.

¹⁷⁶¹ *Id.*

¹⁷⁶² *Id.* at 6-7.

¹⁷⁶³ See Verizon's November Proposed Agreement to WorldCom, Part C, Collocation Attach., § 1. We note that the substance of this proposal is identical to that contained in the November DPL, which Verizon labels its proposed section 13.0 to the Collocation Attachment. We further note that section 13 of the AT&T-Verizon Interconnection Agreement relates to collocation. The WorldCom proposal that we reject is found in section 4.2.3.1 of its Part C, Attachment III.

¹⁷⁶⁴ We note that WorldCom's proposal would expressly permit it to collocate DSLAMs and splitters in Verizon's premises. While we anticipate no dispute with regard to the collocation of this equipment, for reasons described below, we nonetheless determine that that Verizon's language is preferable.

¹⁷⁶⁵ See *Collocation Remand Order*, 16 FCC Rcd at 15459-60, para. 44.

¹⁷⁶⁶ We note that the Commission's order and rules were recently upheld by the D.C. Circuit in *Verizon*.

18. Issues IV-80/IV-81 (Customized Routing for Directory Assistance and Operator Services)

a. Introduction

532. Verizon and WorldCom agree regarding how Verizon should route WorldCom's operator services and directory assistance traffic, but they disagree regarding certain related issues that, WorldCom believes, will affect its ability to obtain nondiscriminatory access to operator services and directory assistance in accordance with the Commission's rules. Specifically, these parties agree that Verizon should provide customized routing for that traffic, that this routing should be to WorldCom's Feature Group D trunks, and that Verizon's advanced intelligent network (AIN) should provide this routing.¹⁷⁶⁷ They disagree, however, regarding whether the interconnection agreement should address this area and, if so, whether the agreement should contain contingency provisions in the event AIN routing does not work.¹⁷⁶⁸ We address these areas of disagreement in turn. For the reasons set forth below, we rule for WorldCom on these issues.

533. We note that Feature Group D is an access arrangement that allows end users reach their presubscribed interexchange carrier (IXC) through 1+ dialing. Feature Group D trunks, in turn, connect an incumbent LEC's and an IXC's offices with each other.¹⁷⁶⁹ Customized routing permits a requesting carrier to specify that the incumbent LEC route, over designated trunks that terminate in the requesting carrier's operator services and directory assistance platform, operator services and directory assistance calls that the requesting carrier's customers originate.¹⁷⁷⁰ AIN refers to a telecommunications network in which call processing, call routing, and network management are provided by means of centralized databases, rather than from comparable databases located at every switching system.¹⁷⁷¹

b. Routing Using AIN Architecture

(i) Positions of the Parties

534. WorldCom considers it critical that the interconnection agreement include terms setting forth Verizon's obligation to provide customized routing of WorldCom's operator

¹⁷⁶⁷ E.g., Verizon UNE Brief at 108; WorldCom Brief at 149.

¹⁷⁶⁸ Compare, e.g., Verizon UNE Brief at 108-11 with, e.g., WorldCom Brief at 149-50.

¹⁷⁶⁹ See *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, CC Docket No. 94-129, Second Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 1508, 1596, n.439 (1998) (subsequent history omitted).

¹⁷⁷⁰ See *UNE Remand Order*, 15 FCC Rcd at 3891, n.867.

¹⁷⁷¹ *Access Charge Reform*, CC Docket No. 96-262, Notice of Proposed Rulemaking, Third Report and Order, and Notice of Inquiry, 11 FCC Rcd 21354, 21418, n.204 (1996) (subsequent history omitted).

services and directory assistance traffic. WorldCom states that otherwise it would have no means to enforce Verizon's commitment to provide that routing.¹⁷⁷² Verizon maintains that the interconnection agreement need only require that, in the event either party requests nondiscriminatory access to the other party's directory assistance service, intraLATA operator call completion services, or directory assistance database, the parties shall enter into a mutually acceptable agreement for such access.¹⁷⁷³ Verizon maintains that this approach would address Verizon's provision of operator services and directory assistance satisfactorily, in full compliance with current law.¹⁷⁷⁴

(ii) Discussion

535. We agree with WorldCom that its interconnection agreement with Verizon should reflect Verizon's agreement to use its AIN architecture to provide customized routing for operator services and directory assistance calls to WorldCom's Feature Group D trunks. We thus accept WorldCom's contract language on this issue, which memorializes Verizon's commitment to deploy its AIN capability to provide that routing.¹⁷⁷⁵ As an initial matter, we conclude that a competitive LEC's request for customized routing for operator services and directory assistance traffic is an appropriate subject matter for an interconnection agreement pursuant to sections 251 and 252. Specifically, section 251(c)(1) imposes upon Verizon "[t]he duty to negotiate in good faith in accordance with section 252 the particular terms and conditions of agreements to fulfill," among other statutory duties, Verizon's duties under section 251(c)(3).¹⁷⁷⁶ The Commission's rules implementing section 251(c)(3) require that Verizon must provide nondiscriminatory access to operator services and directory assistance as a UNE except where it provides requesting carriers with customized routing or a compatible signaling protocol for their customers' operator services and directory assistance traffic.¹⁷⁷⁷ Because Verizon proposes to comply with this rule by providing WorldCom with customized routing, we conclude that WorldCom can invoke the

¹⁷⁷² WorldCom Brief at 149; WorldCom Reply at 132.

¹⁷⁷³ Verizon UNE Brief at 111.

¹⁷⁷⁴ *Id.*

¹⁷⁷⁵ See WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, §§ 6.1.3 (first sentence to the extent it discusses routing using AIN capability), 6.1.4 (first sentence to the extent it discusses routing using AIN capability).

¹⁷⁷⁶ 47 U.S.C. § 251(c)(1). We note that section 251(c)(1) also provides that the "requesting carrier has the duty to negotiate in good faith the terms and conditions of such agreements." 47 U.S.C. § 251(c)(1).

¹⁷⁷⁷ 47 C.F.R. § 51.319(f) (requiring that an incumbent LEC must provide nondiscriminatory access to operator services and directory assistance as a UNE "only where the incumbent LEC does not provide the requesting telecommunications carrier with customized routing or a compatible signaling protocol" for operator services and directory assistance traffic).

section 252 arbitration process to resolve its dispute with Verizon over the terms and conditions of this customized routing arrangement.¹⁷⁷⁸

536. We find WorldCom's proposal that the interconnection agreement memorialize the agreement the parties have reached regarding customized routing to be consistent with section 251 and the Commission's rules.¹⁷⁷⁹ Instead of having the interconnection agreement reflect this substantive agreement, Verizon proposes that the interconnection agreement require that WorldCom "arrange, at its own expense, the trunking and other facilities required to transport traffic to and from the designated [directory assistance] and [operator services] locations."¹⁷⁸⁰ Because this proposal would require that WorldCom arrange for the customized routing of its operator services and directory assistance traffic, it does not meet Verizon's obligation to negotiate the actual terms and conditions of that routing in good faith.¹⁷⁸¹ We therefore reject Verizon's proposed contract language on this issue.

c. Contingency Provisions

(i) Positions of the Parties

537. WorldCom proposes that the interconnection agreement should define Verizon's operator services and directory assistance obligations in the event Verizon's AIN architecture fails to provide customized routing to WorldCom's Feature Group D trunks.¹⁷⁸² WorldCom maintains that contingency provisions are particularly appropriate given Verizon's admission that it has not yet tested AIN routing to Feature Group D trunks.¹⁷⁸³ WorldCom also points out that Verizon has not explained how it proposes to provide WorldCom with nondiscriminatory access to operator services and directory assistance in the event AIN routing is unsuccessful.¹⁷⁸⁴ WorldCom argues that its proposed contractual language is reasonable and appropriate.¹⁷⁸⁵

¹⁷⁷⁸ See 47 C.F.R. § 51.807(c)(1) (requiring that we resolve any open issues in this proceeding in accordance with "the requirements of section 251, including the rules prescribed by the Commission pursuant to that section").

¹⁷⁷⁹ See 47 U.S.C. § 252(c)(1).

¹⁷⁸⁰ Verizon's November Proposed Agreement to WorldCom, Part C, Additional Services Attach., § 3.2.

¹⁷⁸¹ See 47 U.S.C. §§ 251(b)(4), 251(c)(1).

¹⁷⁸² WorldCom Brief at 149-50; WorldCom Reply at 132-33.

¹⁷⁸³ WorldCom Brief at 150; WorldCom Reply at 133; see Tr. at 615-20, 651-53 (testimony of Verizon witness Woodbury).

¹⁷⁸⁴ WorldCom Brief at 150; see Tr. at 652-53 (testimony of Verizon witness Woodbury).

¹⁷⁸⁵ WorldCom Brief at 149-50. That language would specify that Verizon will use "existing switch features and functions" to route operator services and directory services calls to WorldCom's Feature Group D trunks in the event Verizon's AIN network is unable to provide that routing. WorldCom November Proposed Agreement with Verizon, Part C, Attach. VIII, §§ 6.1.3 & 6.1.4. WorldCom also would have the interconnection agreement state that where (continued....)

538. Verizon argues that contingency provisions are unnecessary even if the interconnection agreement addresses customized routing using AIN architecture. Verizon states that it has deployed AIN architecture throughout its Virginia service territory, that it has offered to prove to WorldCom through testing that its AIN network can provide customized routing to WorldCom's Feature Group D trunks, and that WorldCom has not responded to Verizon's offer. Verizon asserts that only WorldCom's continued refusal to help test AIN routing prevents WorldCom from timely receiving that routing.¹⁷⁸⁶ Verizon states that WorldCom's proposed contract language is outdated and overly detailed. Verizon also states that inclusion of that language in the interconnection agreement "could hinder the progress of collaboratives and industry changes in [operator services and directory assistance] access."¹⁷⁸⁷

(ii) Discussion

539. We agree with WorldCom that the interconnection agreement should contain provisions defining Verizon's operator services and directory assistance obligations in the event Verizon's AIN architecture does not work as the parties anticipate. We thus accept the contract language WorldCom proposes in this area, subject to the modifications discussed below.¹⁷⁸⁸ While Verizon has tested customized routing using AIN technology in the laboratory, Verizon makes no claim that it has tested whether its AIN architecture will successfully route operator services and directory assistance traffic to Feature Group D trunks.¹⁷⁸⁹ In these circumstances, we find that Verizon has not shown that it is presently able to provide customized routing to those trunks using AIN. Moreover, we find that there is at least a reasonable possibility that AIN routing will fail. Accordingly, consistent with our conclusion above that disputes regarding customized routing provide an appropriate subject matter for an interconnection agreement

(Continued from previous page) —————

Verizon's AIN architecture and existing switches do not allow routing of operator services and directory assistance calls to Feature Group D trunks, the parties, at WorldCom's request, "shall negotiate the terms, conditions, and cost-based rates for providing [operator services and directory assistance] services as unbundled network elements."

WorldCom November Proposed Agreement with Verizon, Part C, Attach. VIII, § 6.1.3 & 6.1.4. WorldCom proposes, in addition, specific requirements that would apply to Verizon's provision of operator services and directory assistance to WorldCom as UNEs. WorldCom November Proposed Agreement with Verizon, Part C, Attach. VIII, §§ 6.1.3.1 to 6.1.3.3.7.5 & 6.1.4.1 to 6.1.4.10.

¹⁷⁸⁶ Verizon UNE Brief at 108-09; Verizon UNE Reply at 55-56.

¹⁷⁸⁷ Verizon UNE Brief at 110.

¹⁷⁸⁸ See WorldCom's November Proposed Agreement to Verizon, Part C, Attach. VIII, §§ 6.1.3 (first sentence to the extent it discusses routing using existing switch features and functions), 6.1.3 (second sentence) through 6.1.3.3.7.5, 6.1.4 (first sentence to the extent it discusses routing using existing switch features and functions), 6.1.4 (remaining sentences) through 6.1.4.10.

¹⁷⁸⁹ Tr. at 652-53 (testimony of Verizon witness Woodbury).

pursuant to section 251, we also conclude that the agreement should address what happens in the event AIN routing fails.¹⁷⁹⁰

540. Despite its overall objection to the contingency provisions WorldCom proposes to include in the interconnection agreement, Verizon does not assert that any specific provision is inconsistent with section 251 of the Act or the Commission's rules implementing that provision. We find no such inconsistency. We therefore require that the parties use WorldCom's proposed language as a starting point for their final contract language.¹⁷⁹¹ We anticipate that the parties' final language in this area will retain the substance of WorldCom's proposals while eliminating any cumbersome detail.

19. Issues V-3/V-4-A (UNE-Platform Traffic with Other LECs)

a. Introduction

541. AT&T can offer service to its customers by purchasing from Verizon a combination of unbundled loop, switching and transport elements known as a UNE-platform.¹⁷⁹² When a third-party LEC terminates a call from, or originates a call to, an AT&T UNE-platform customer, however, the UNE-platform appears to the third-party LEC to be part of Verizon's network. This presents billing problems. When the third-party LEC terminates AT&T's UNE-platform traffic, it does not know that it should bill AT&T instead of Verizon. Conversely, when the third-party LEC originates a call to AT&T's UNE-platform, it does not know that it should pay AT&T instead of Verizon. With respect to calls that originate on AT&T's UNE-platforms, both parties agree to the status quo in Virginia: Verizon bills AT&T for unbundled switching and common transport, plus a termination charge to recover the third-party LEC's charges for termination.¹⁷⁹³ The parties differ, however, on the appropriate compensation mechanism for calls that originate on the network of a third-party LEC and terminate to an AT&T customer served over the UNE-platform.¹⁷⁹⁴ AT&T proposes that Verizon treat all such calls as Verizon's own traffic.¹⁷⁹⁵ Verizon argues that AT&T instead must establish interconnection agreements

¹⁷⁹⁰ Cf. *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York*, Memorandum Opinion and Order, 15 FCC Rcd 3953, 4137-38, para. 366 (1999) (*Bell Atlantic New York Order*), *aff'd sub nom.*, *AT&T Corp. v. FCC*, 220 F.3d 607 (D.C. Cir. 2000).

¹⁷⁹¹ See 47 U.S.C. § 252(c)(1).

¹⁷⁹² See, e.g., *Local Competition Third Report and Order*, 15 FCC Rcd at 3702-03, para. 12.

¹⁷⁹³ AT&T Brief at 143-44; Tr. at 552; AT&T Reply at 82; Verizon Unbundled Network Elements (UNE) Reply at 57; cf. Case 01-C-0095, *AT&T Petition for Arbitration to Establish an Interconnection Agreement with Verizon*, Order Resolving Arbitration Issues, at 47-49 (issued July 30, 2001) (*New York Commission AT&T Arbitration Order*).

¹⁷⁹⁴ We note that the intercarrier compensation for calls between AT&T's UNE-platform customers and Verizon customers is not a point of disagreement in this arbitration.

¹⁷⁹⁵ AT&T Brief at 142.

with third-party LECs for traffic that transits Verizon's network and terminates to AT&T UNE-platform customers. We rule for Verizon and reject AT&T's proposed language.

b. Positions of the Parties

542. Under AT&T's proposal, Verizon, rather than AT&T, would collect reciprocal compensation from the third-party LEC and Verizon would then forfeit its UNE charges.¹⁷⁹⁶ AT&T argues that its proposal would minimize the burden of negotiating interconnection agreements among LECs in Virginia, while also relieving Verizon of the responsibility to create and exchange message records identifying UNE-platform traffic.¹⁷⁹⁷ AT&T opposes Verizon's position because it would require AT&T to negotiate an interconnection rate for only one call direction -- from the third-party LEC to AT&T's UNE-platform. Negotiation of a rate for this one-way traffic is problematic because compensation in the other direction between Verizon and the third-party LEC is already governed by the interconnection agreement between those two parties.¹⁷⁹⁸ If AT&T is required to bill the third-party LECs directly, AT&T argues that it should be able to negotiate reciprocal compensation rates with third-party LECs for both directions of traffic that transits Verizon's network in both directions.¹⁷⁹⁹

543. Verizon argues that for this traffic terminating to AT&T UNE-platform customers, AT&T should be responsible for billing the third-party LEC for termination costs.¹⁸⁰⁰ Verizon argues that AT&T cannot avoid its statutory obligation under section 251(b)(5) to negotiate a reciprocal compensation arrangement with the third-party LEC, even if such negotiation is only for traffic terminated by AT&T.¹⁸⁰¹ This is the current billing arrangement in Virginia.¹⁸⁰² Verizon also urges the Commission to reject AT&T's alternative argument concerning negotiation for both directions of traffic. According to Verizon, since the third-party LEC cannot determine whether a call originates from AT&T or Verizon, AT&T cannot feasibly negotiate an interconnection rate for traffic that is terminated by the third-party LEC.¹⁸⁰³

¹⁷⁹⁶ *Id.* at 143; AT&T Reply at 82. AT&T's theory is that the reciprocal compensation payment Verizon receives for transport and termination of the third-party LEC's traffic would offset Verizon's UNE transport and switching charges.

¹⁷⁹⁷ AT&T Brief at 142-43.

¹⁷⁹⁸ AT&T Brief at 144.

¹⁷⁹⁹ *Id.* at 144-45.

¹⁸⁰⁰ Verizon UNE Reply at 58. In addition, Verizon would continue to charge AT&T for UNE switching and transport. *Id.*

¹⁸⁰¹ *Id.* at 57-58, citing 47 U.S.C. § 251(b)(5).

¹⁸⁰² *Id.* at 57.

¹⁸⁰³ *Id.* at 58-59, citing Tr. at 551-56.

c. Discussion

544. We rule for Verizon and therefore reject AT&T's contract proposal.¹⁸⁰⁴ Under Verizon's approach, when a third-party LEC places a call that terminates to an AT&T UNE-platform customer, AT&T must bill the third-party LEC directly.¹⁸⁰⁵ This result is consistent with section 251(b)(5) of the Act, which requires all LECs to "establish reciprocal compensation arrangements for the transport and termination of telecommunications."¹⁸⁰⁶ In a similar context, the Commission has interpreted this provision to apply to reciprocal compensation arrangements between originating and terminating carriers when traffic transits the network of an incumbent or other carrier, such as Verizon.¹⁸⁰⁷

545. AT&T does not demonstrate that it is entitled to an exemption from section 251(b)(5)'s requirements. Verizon is willing to continue to provide AT&T with message records so that AT&T can bill third-party LECs for terminating their calls on its UNE-platforms.¹⁸⁰⁸ We are also persuaded, as Verizon argues, that, because the technical limitations of UNE-platforms currently make them invisible to third-party LECs, AT&T cannot yet negotiate interconnection rates with these third parties for AT&T UNE-platform-originated traffic.¹⁸⁰⁹ Accordingly, AT&T's proposal to negotiate rates for traffic in both directions is not feasible at this time.¹⁸¹⁰ We disagree with AT&T that having to negotiate "one-half" of an interconnection rate with third-party LECs is "untenable."¹⁸¹¹ We do not read section 251(b)(5)'s requirements, or anything in the Commission orders implementing that provision, to depend upon the direction of traffic flow.

¹⁸⁰⁴ Specifically, we reject AT&T's proposed section 5.7.7.1. We note that, although Verizon filed objections to AT&T's response to record requests concerning this issue, its objections are mooted by our rejection of AT&T's proposed language. *See* Verizon's Objection to AT&T Response to Record Requests at 1. *See also* Outstanding Procedural Motions *supra* (denying Verizon's objection).

¹⁸⁰⁵ Accordingly, Verizon shall not collect reciprocal compensation from the third-party LEC, and AT&T shall continue to pay for UNE switching and transport. By this ruling, we do not intend to prevent AT&T from contracting with another carrier, including Verizon, to bill, on AT&T's behalf, reciprocal compensation to those third-party LECs that terminate traffic to AT&T's UNE-platform customers.

¹⁸⁰⁶ 47 U.S.C. § 251(b)(5).

¹⁸⁰⁷ *See Texcom, Inc. v. Bell Atlantic Corp.*, Order on Reconsideration, 17 FCC Rcd 6275, 6276-77, para. 4 (2002), citing 47 U.S.C. § 251(b)(5), 47 C.F.R. §§ 51.701 *et seq* (transiting carrier may charge terminating carrier for cost of facilities used to transit traffic, and terminating carrier may seek reimbursement of these costs from originating carrier through reciprocal compensation).

¹⁸⁰⁸ *See* Verizon UNE Reply at 58.

¹⁸⁰⁹ Verizon's testimony was un rebutted that third-party LECs currently cannot distinguish an incumbent LEC's own customers from customers served by UNE-platforms that competitive LECs purchase from the incumbent LEC. Tr. at 556-57.

¹⁸¹⁰ *See* AT&T Brief at 144-45.

¹⁸¹¹ *See id.* at 144.

20. Issue V-4 (LATA-Wide Reciprocal Compensation)

a. Introduction

546. As discussed in Issue I-6 above, calls between carriers that originate and terminate within a single LATA are subject to either reciprocal compensation or access charges.¹⁸¹² AT&T proposes contract language that would treat all traffic it exchanges with Verizon that originates and terminates within a single LATA as subject to reciprocal compensation, not access charges.¹⁸¹³ Verizon opposes AT&T's proposal. For the reasons provided below, we reject AT&T's proposal.

b. Positions of the Parties

547. AT&T argues that the distinction between "local" and "toll" calls is purely artificial, because both AT&T and Verizon deliver all intraLATA traffic to each other over the same trunk groups, whether they are rated as "local" or "toll."¹⁸¹⁴ According to AT&T, the underlying costs of providing these different services are the same.¹⁸¹⁵ AT&T asserts that a unified reciprocal compensation regime for all intraLATA calls would increase efficiency while reducing the administrative costs associated with tracking the originating point of every call.¹⁸¹⁶ AT&T notes that its proposal would not be industry-wide, but rather between AT&T and Verizon.¹⁸¹⁷

548. Verizon argues that AT&T's proposal seeks to circumvent the Virginia Commission's regulated access structure.¹⁸¹⁸ Verizon asserts that section 251(g) of the Act excludes access traffic from reciprocal compensation and makes clear that access tariffs continue to apply unless and until the Commission expressly supersedes them.¹⁸¹⁹ According to Verizon, the Commission recently held that the prohibition in section 251(g) still applies to both interstate

¹⁸¹² See *supra*, Issue I-6 (accepting contract language establishing that originating and terminating NPA-NXXs of a call determine whether it is subject to reciprocal compensation or access charges).

¹⁸¹³ See AT&T's November Proposed Agreement to Verizon, §§ 5.7.1, 5.7.3.

¹⁸¹⁴ AT&T Brief at 145.

¹⁸¹⁵ See *id.* at 146.

¹⁸¹⁶ *Id.* at 146-47; AT&T Reply at 85.

¹⁸¹⁷ AT&T Reply at 84.

¹⁸¹⁸ Verizon UNE Brief at 115. In its reply, Verizon argues that because the Virginia Commission's intrastate access tariffs continue to apply to intraLATA toll calls, AT&T cannot avoid paying them by inserting unlawful provisions into its interconnection agreement. Verizon UNE Reply at 62.

¹⁸¹⁹ Verizon UNE Brief at 115-16; Verizon UNE Reply at 61, citing 47 U.S.C. § 251(g).

and intrastate access charge regimes.¹⁸²⁰ Verizon asserts that AT&T's proposal would have a major financial and operational impact on the entire telecommunications industry.¹⁸²¹

c. Discussion

549. We reject AT&T's proposed language.¹⁸²² Telecommunications traffic subject to reciprocal compensation under section 251(b)(5) excludes, *inter alia*, "traffic that is interstate or intrastate exchange access."¹⁸²³ The Commission has previously held that state commissions have authority to determine whether calls passing between LECs should be subject to access charges or reciprocal compensation for those areas where the LECs' service areas do not overlap.¹⁸²⁴ Accordingly, we decline to disturb the existing distinction in Virginia between those calls subject to access charges and those subject to reciprocal compensation. To the extent that AT&T believes that the existing regime creates artificial discrepancies in compensation, is economically inefficient and adversely affects competition,¹⁸²⁵ it may advocate alternative payment regimes before the Commission in the pending *Intercarrier Compensation Rulemaking* docket.¹⁸²⁶

21. Issue V-7 (Specific Porting Intervals for Large Business Customers)

a. Introduction

550. AT&T proposes language establishing a five-day interval for completing orders to port 200 or more lines.¹⁸²⁷ AT&T believes a standard interval is important to its ability to market

¹⁸²⁰ Verizon UNE Reply at 61, citing *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 Intercarrier Compensation for ISP-Bound Traffic*, CC Docket Nos. 96-98, 99-68, Order on Remand and Report and Order, 16 FCC Rcd. 9151, 9168, 9169, para. 37 & n.66, para. 39 (2001) (*ISP Intercarrier Compensation Order*), remanded sub nom. *WorldCom v. FCC*, 288 F.3d 429 (D.C. Cir. 2002); *Local Competition First Report and Order*, 12 FCC Rcd. at 16013, para. 1034.

¹⁸²¹ Verizon UNE Brief at 116.

¹⁸²² Accordingly, we strike the phrase "including IntraLATA Toll Traffic for the purposes of reciprocal compensation" from AT&T's November Proposed Agreement to Verizon, sections 5.7.1 and 5.7.3.

¹⁸²³ See 47 C.F.R. § 51.701(b)(1). Although the United States Court of Appeals for the District of Columbia Circuit recently remanded the Commission's *ISP Intercarrier Compensation Order*, which adopted the current text of Rule 701(b)(1), it did not vacate that order or Rule 701. See *WorldCom v. FCC*, 288 F.3d at 434. Moreover, the court's opinion addressed only the Commission's treatment of "the compensation between two LECs involved in delivering internet-bound traffic to an ISP." *Id* at 431.

¹⁸²⁴ *Local Competition First Report and Order*, 12 FCC Rcd. at 16013, para. 1035.

¹⁸²⁵ See AT&T Reply at 84-85.

¹⁸²⁶ *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, Notice of Proposed Rulemaking, 16 FCC Rcd. 9610 (2001) (*Intercarrier Compensation Rulemaking*).

¹⁸²⁷ See AT&T's November Proposed Agreement to Verizon, § 14.4.10.

it services to large business customers. Verizon opposes this proposal, claiming that it must individually assess the amount of work required for orders of that size. We reject AT&T's proposal.

b. Positions of the Parties

551. AT&T proposes a maximum five-day porting interval for all business customers. AT&T notes that there are no industry standard guidelines for porting large numbers of lines,¹⁸²⁸ but argues that a five-business day interval for orders of 200 or more lines is technically feasible.¹⁸²⁹ AT&T also argues that an established interval is necessary for AT&T to market its services effectively to prospective large business customers.¹⁸³⁰ Also, while AT&T believes it is rare for orders of this size to take longer than five days, it is willing to permit a longer interval if Verizon can demonstrate a specific need.¹⁸³¹

552. Verizon asserts that orders of 200 or more lines are complex, require additional work, and cannot necessarily be accomplished in five days.¹⁸³² Verizon also contends that it is common practice for carriers to negotiate intervals for large-line orders.¹⁸³³ For example, Verizon pointed out during the hearing that Qwest negotiates an interval with AT&T for orders in excess of fifty lines, compared to Verizon's practice of doing this only for orders above 200 lines.¹⁸³⁴ Verizon also disputes the charge that AT&T's ability to provide services will be negatively affected if Verizon is permitted to assess the special circumstances of a large order before committing to a time for completing it; Verizon maintains that large business customers do not decide to switch carriers on the spur of the moment.¹⁸³⁵

c. Discussion

553. We reject AT&T's proposed contract language.¹⁸³⁶ Verizon indicates that a negotiated interval is the standard practice for such large orders, an observation that AT&T does

¹⁸²⁸ AT&T Brief at 147-48, n.488.

¹⁸²⁹ *Id.* at 147-48. While AT&T argues, in its brief and testimony, in favor of a five-business day interval for 200+ orders, its actual proposed contract language calls for a "a five (5) *calendar* day maximum porting interval for all business customers." See AT&T's November Proposed Agreement to Verizon, §14.2.10 (emphasis added).

¹⁸³⁰ AT&T Brief at 147-48.

¹⁸³¹ AT&T Reply at 85.

¹⁸³² Verizon UNE Brief at 120-21; Verizon UNE Reply at 64.

¹⁸³³ Verizon UNE Reply at 64.

¹⁸³⁴ Tr. at 564-65.

¹⁸³⁵ Verizon UNE Brief at 121.

¹⁸³⁶ AT&T's November Proposed Agreement to Verizon, § 14.4.10.

not dispute. In fact, AT&T effectively concedes, by recognizing the need for case-by-case consideration, that it may be impossible to complete all large orders within five days. We thus find it would be unreasonable, based on this record, to establish a five-day standard interval applicable to large orders.

22. Issue V-12 (Off-Hours Number Porting)

a. Introduction

554. This issue pertains to whether the interconnection agreement should contain AT&T's proposed language requiring Verizon to provide personnel support for number porting on weekends and during weekdays after business hours.¹⁸³⁷ The parties disagree whether AT&T's language will address double-billing and dial tone disruption problems. The parties also disagree whether Verizon's counter-proposal would adequately address these concerns.¹⁸³⁸ As set forth below, we adopt Verizon's language regarding weekend porting, but instruct Verizon to cease double billing AT&T's customers. Also, we adopt AT&T's language regarding "snap-back" protection and Service Order Administration (SOA) connectivity, with instructions for further modification to this language.

b. Positions of the Parties

555. AT&T proposes that Verizon provide after-hours personnel support for number porting. This would enable efficient after-hours operations, according to AT&T, because Verizon would be able to cease billing promptly after the number is ported.¹⁸³⁹ AT&T contends that this will prevent double billing, which it argues occurs because Verizon continues to bill newly-porting AT&T customers until Verizon's switch reflects the changeover.¹⁸⁴⁰ AT&T claims that Verizon's plan to assign weekend orders to the following Monday would not solve this problem, because Verizon would not cease billing a customer until it completes the porting process late Monday, potentially days after AT&T moved the customer to its own network.¹⁸⁴¹ AT&T also contends that Verizon's proposed practice is discriminatory because Verizon ports

¹⁸³⁷ See AT&T's November Proposed Agreement to Verizon, Schedule 14.2.9.1, §§ 1 and 2; Verizon's November Proposed Agreement to AT&T, §§ 14.2.4, 14.2.5, and 14.2.5.1.

¹⁸³⁸ See Verizon's November Proposed Agreement to AT&T, §§ 14.2.4, 14.2.5, and 14.2.5.1.

¹⁸³⁹ AT&T Brief at 150-51. See AT&T's proposed Schedule 14.2.9.1. The question of precisely what should trigger a billing change is addressed below in Issue V-13.

¹⁸⁴⁰ AT&T Brief at 150-51.

¹⁸⁴¹ AT&T Brief at 149-50; AT&T Reply at 86. AT&T suggests that double billing under these circumstances would violate Verizon's tariffs, by billing end users for services Verizon no longer provides, and that this could even constitute "cramming" -- that is, charging customers for services they no longer receive. AT&T Brief at 150-51.

phone numbers for its own retail customers on weekends and after business hours during the week.¹⁸⁴²

556. AT&T also asserts that the agreement should explicitly require two additional types of operational support that the parties agree Verizon already provides. First, to avoid loss of dial tone, AT&T seeks an express agreement by Verizon to provide “snap-back” support, which refers to a situation where a Verizon technician will stop a port – or snap back the number – in case there is a problem, so that translations are not automatically removed from Verizon’s switch.¹⁸⁴³ Second, AT&T seeks language mandating that Verizon connect its database (specifically, its SOA) to NPAC at all times, unless NPAC is unavailable.¹⁸⁴⁴

557. Verizon proposes an alternative process that it contends will permit AT&T to port numbers over the weekend.¹⁸⁴⁵ According to Verizon’s proposal, if AT&T notifies Verizon by close of business on a Friday of its intention to port a number over the weekend, AT&T could go forward with transferring the number to its network, and Verizon would complete the process in its switch by 11:59 p.m. on Monday to release the facilities and complete the changeover.¹⁸⁴⁶ Verizon contends that this process would present only a minimal risk of dial tone loss because AT&T would have all day Monday to alert Verizon to any technical problems that occurred over the weekend.¹⁸⁴⁷ Verizon indicates that this process is used in Pennsylvania, Massachusetts, and New York.¹⁸⁴⁸ Verizon also disputes AT&T’s contention that double billing is a problem. Specifically, Verizon contends that AT&T’s concerns are not a Verizon issue because Verizon follows standard industry practice and cannot change its billing records until the porting process is completed in the switch.¹⁸⁴⁹ Addressing snap-back protection, Verizon indicates that AT&T currently could contact the “hot cut” office after hours to delay completion of a porting order; therefore, there is no reason to include this standard operating procedure in the agreement.¹⁸⁵⁰ In

¹⁸⁴² AT&T Brief at 149-50, citing Tr. at 570; AT&T Reply at 86. AT&T indicates that while Verizon may not provide technical support specifically for porting its own customers over the weekend, Verizon does provide a tariffed offering for “Premium Installation Appointment Change,” which permits installation of a residential or business line during non-business hours. AT&T Ex. 6 (Direct Testimony of Solis), at 6-15; AT&T Ex. 12 (Rebuttal Testimony of Solis), at 3-6. AT&T contends that this is the functional equivalent of porting for AT&T customers. *Id.*

¹⁸⁴³ AT&T Brief at 150 n.498.

¹⁸⁴⁴ *Id.* at 150.

¹⁸⁴⁵ Verizon UNE Brief at 122. *See* Verizon’s November Proposed Agreement to AT&T, Schedule 14.

¹⁸⁴⁶ Verizon UNE Brief at 122.

¹⁸⁴⁷ *Id.*

¹⁸⁴⁸ *Id.* at 122-23, citing *New York Commission AT&T Arbitration Order* at 85.

¹⁸⁴⁹ Verizon Ex. 24 (Rebuttal Testimony of M. Detch *et al.*), at 25-28.

¹⁸⁵⁰ Verizon UNE Reply at 66.

addition, Verizon says it provides SOA connectivity to NPAC wherever NPAC is available.¹⁸⁵¹ This also is standard operating procedure, and therefore there is no reason to include SOA connectivity in the agreement.¹⁸⁵²

c. Discussion

558. We adopt Verizon's language, with respect to its proposed weekend porting process, subject to the clarification below.¹⁸⁵³ We find that Verizon's process will permit AT&T to port numbers over the weekend without undue risk of dial tone loss, and AT&T has not shown that weekend porting staff is necessary to prevent dial tone loss. However, we acknowledge that double billing may still occur, which Verizon does not contest, and we find it untenable for Verizon knowingly to double bill customers who have switched their service to AT&T. Therefore, we instruct Verizon to cease billing a customer once AT&T has moved that customer to its network, or reach an alternate arrangement acceptable to AT&T.

559. We also adopt AT&T's language incorporating "snap-back" provisions and SOA connectivity requirements into the agreement.¹⁸⁵⁴ Verizon has indicated that it currently provides snap-back technical support and SOA connectivity. We agree with AT&T that snap-back protection is an important safeguard against dial tone loss for problems that arise during the week after normal business hours. Similarly, the parties do not dispute the value of SOA connectivity. Verizon raises no substantive objection to including either provision in the agreement. Therefore, based on the record, we adopt AT&T's language regarding SOA connectivity. However, because AT&T's proposed language appears not to distinguish between weekend porting personnel (which we do not require) and technical snap-back support (which we do require), we further instruct the parties to submit conforming language regarding snap-back protection.

23. Issue V-12-A (Three Calendar Day Porting Interval for Residential Orders)

a. Introduction

560. AT&T proposes language that would require Verizon to port the telephone number on a simple residential order in three calendar days.¹⁸⁵⁵ AT&T contends that this is a reasonable and technically feasible time-frame. Verizon opposes this proposal because industry

¹⁸⁵¹ *Id.*

¹⁸⁵² *Id.*

¹⁸⁵³ Verizon's November Proposed Agreement to AT&T, §§ 14.2.4, 14.2.5, and 14.2.5.1.

¹⁸⁵⁴ AT&T's November Proposed Agreement to Verizon, Schedule 14.2.9.1, §§ 1(5) and (6).

¹⁸⁵⁵ See AT&T's November Proposed Agreement to Verizon, § 14.2.10.

guidelines permit Verizon's current practice, a four business day interval. We reject AT&T's proposal.

b. Positions of the Parties

561. AT&T contends that Verizon's own practice confirms the reasonableness of a three calendar day interval: in Pittsburgh, Pennsylvania, where AT&T ports numbers on a daily basis, Verizon is confirming port orders within three days.¹⁸⁵⁶ AT&T maintains that Verizon should commit to this technically feasible time-frame.¹⁸⁵⁷ AT&T also argues that because Verizon concedes it uses a three business day interval in Virginia for porting orders of up to 50 lines, Verizon should be required, at a minimum, to commit to a three business day interval.¹⁸⁵⁸ Verizon counters that the Local Number Portability Administration Working Group (Working Group) has specifically declined to shorten the interval for simple residential orders from a four business day interval, and Verizon's practices are within the guidelines established by that group.¹⁸⁵⁹

c. Discussion

562. We reject AT&T's proposed language.¹⁸⁶⁰ The parties agree that Verizon follows the standards established by the Working Group. While the three calendar day interval may be Verizon's practice in one city in another state and for some orders in Virginia, AT&T gives no reason why the four business day interval sanctioned by the Working Group is unreasonable. Moreover, AT&T has not demonstrated that it has been harmed by that additional day or that Verizon's interval is discriminatory.

24. Issue V-13 (Port Confirmation)

a. Introduction

563. AT&T and Verizon disagree about the appropriate ordering process for porting telephone numbers. Specifically, AT&T proposes that Verizon obtain port-activation confirmation from the Number Portability Administration Center (NPAC) prior to completing a order for number portability.¹⁸⁶¹ Verizon argues that awaiting NPAC confirmation would require

¹⁸⁵⁶ AT&T Brief at 151.

¹⁸⁵⁷ *Id.* at 151-52.

¹⁸⁵⁸ AT&T Reply at 87, citing Verizon UNE Brief at 119. AT&T points out that the three-business day interval begins with receipt of an accurate Local Service Request. *Id.*

¹⁸⁵⁹ Verizon UNE Brief at 119-20.

¹⁸⁶⁰ AT&T's November Proposed Agreement to Verizon, § 14.2.10.

¹⁸⁶¹ *See* AT&T's November Proposed Agreement to Verizon, Schedule 14.2.9.1, § 4

expensive changes to its systems, and that its current process complies with industry standards. We adopt Verizon's proposal.¹⁸⁶²

b. Positions of the Parties

564. AT&T argues that Verizon should not complete the porting process without confirmation from NPAC,¹⁸⁶³ contending that this is technically feasible and fairly distributes responsibility for the porting process between AT&T and Verizon.¹⁸⁶⁴ AT&T argues that it, and several other carriers, follow this procedure, and that the New York Commission has agreed that Verizon should cease billing when the port is completed.¹⁸⁶⁵ According to AT&T, without NPAC confirmation, customers could lose dial tone if the port does not occur when scheduled.¹⁸⁶⁶ Verizon's current practice – removing translations (completing an order) without receiving NPAC confirmation that the port was successful – provides no protection against loss of dial tone.¹⁸⁶⁷ AT&T further contends that Verizon's reliance on the current industry-sanctioned ordering process – that is, the Local Service Request (LSR) process – is misplaced, because the LSR (and supplemental LSR) merely provide dates on which porting work is to be completed, if all goes as planned.¹⁸⁶⁸ The LSR process provides no consumer protections against dial tone loss, according to AT&T, but NPAC confirmation would provide such protection.¹⁸⁶⁹

565. Verizon opposes AT&T's proposal. First, Verizon maintains that NPAC confirmation is not part of Verizon's LSR porting procedures, which were established by the industry's Ordering and Billing Forum (OBF), and Verizon contends that AT&T should address its concerns to the OBF.¹⁸⁷⁰ Second, Verizon argues that AT&T's proposal could impair service quality if NPAC fails to send timely confirmation.¹⁸⁷¹ Third, Verizon states that its ordering and provisioning systems do not currently interact with the system that receives NPAC "activate" messages.¹⁸⁷² According to Verizon, AT&T's proposal would require Verizon to develop a

¹⁸⁶² See Verizon's November Proposed Agreement to AT&T, § 14.2.4.

¹⁸⁶³ AT&T Brief at 153.

¹⁸⁶⁴ *Id.*

¹⁸⁶⁵ *Id.* at 151-153 (citing *New York Commission AT&T Arbitration Order* at 85 n.104).

¹⁸⁶⁶ *Id.*

¹⁸⁶⁷ *Id.* at 153 n.511.

¹⁸⁶⁸ *Id.* at 154. NPAC would not replace the LSR process, but would supplement it, argues AT&T. AT&T Reply at 89.

¹⁸⁶⁹ AT&T Brief at 154.

¹⁸⁷⁰ Verizon UNE Brief at 124.

¹⁸⁷¹ *Id.* at 125.

¹⁸⁷² *Id.*

mechanized process to query the NPAC database or to receive a data file that Verizon would match against pending orders.¹⁸⁷³ Alternately, Verizon asserts, this could be done manually, at the rate of nearly 1,000 orders a day.¹⁸⁷⁴ Thus, Verizon claims that either process would be expensive and would heavily tax its resources.¹⁸⁷⁵

c. Discussion

566. We reject AT&T's proposal, and adopt Verizon's proposal.¹⁸⁷⁶ The process Verizon uses is consistent with industry guidelines, as established by the OBF. We conclude that it is reasonable for parties to adopt practices and standards that emerge from the OBF process. Furthermore, AT&T has not refuted Verizon's assertion that costly changes would be necessary to implement the requested functionality. We find that AT&T has not shown that such changes are warranted, or that the current process of competitive LECs sending supplemental LSRs is an unreasonable or unworkable method of ensuring that outages do not occur.

25. Issue VI-3-B (Technical Standards and Specifications)

a. Introduction

567. Pursuant to Commission rules, Verizon is required to provide technical information to a requesting carrier about its network facilities sufficient to allow that competing carrier access to Verizon's UNEs consistent with other Commission requirements.¹⁸⁷⁷ In addition, to the extent that it is technically feasible, the quality of the UNE, as well as the quality of the access to the UNE, that Verizon provides to a requesting carrier must be at least equal in quality to that which Verizon provides to itself.¹⁸⁷⁸ WorldCom and Verizon disagree about whether WorldCom's proposed language relating to technical specifications and "equal in quality" access is necessary to ensure WorldCom's rights, and consistent with Verizon's obligations. With modification, we adopt WorldCom's proposal.

b. Positions of the Parties

568. WorldCom proposes language requiring Verizon to provide network elements "at Parity and in a Non-Discriminatory manner" with respect to, for example, "quality of design,

¹⁸⁷³ *Id.*

¹⁸⁷⁴ *Id.* at 125-26.

¹⁸⁷⁵ *Id.* at 126; Verizon UNE Reply at 67.

¹⁸⁷⁶ Verizon's November Proposed Agreement to AT&T, § 14.2.4.

¹⁸⁷⁷ 47 C.F.R. § 51.307(e).

¹⁸⁷⁸ 47 C.F.R. § 51.311(b).